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STATE FOR NEA/ARP, EEB/CIP/BA
STATE PASS USTR FOR JBUNTIN
COMMERCE FOR ITA THOFFMAN

E.O. 12958: N/A
TAGS: [ECPS](#) [ETRD](#) [ECON](#) [EINT](#) [USTR](#) [MU](#)
SUBJECT: OMANI TELECOM AUTHORITY REQUESTS WRITTEN COMMENTS
IN LIEU OF DVC

REF: STATE 30503

11. (U) This is an Action Request; please see paragraph 5.

12. (SBU) On March 31, Econoff delivered reftel demarche to Engineer Naashiah al-Kharusi, Committee Member, Telecommunications Regulatory Authority (TRA). In particular, Econoff emphasized that the telecommunications liberalization study, released by TRA for public comment, had taken the USG off-guard, especially since the Omani government had already agreed to liberalize its fixed-line telecommunications sector per its WTO and U.S.-Oman Free Trade Agreement (FTA) commitments. Econoff continued that the USG expected to comment on the TRA's proposed telecommunications licensing criteria, which have not yet materialized. (Note. A licensing criteria expert, funded by the Middle East Partnership Initiative, came to Muscat in June 2007 to work with the TRA on establishing FTA-compliant licensing criteria. End Note.)

13. (SBU) Kharusi acknowledged that she did not give the USG advance notice that the TRA was working on a liberalization study for public comment. She further noted that interest in this study had been brisk, and that the TRA would continue to accept comments from interested stakeholders beyond the April 1 deadline, given the number of extension requests received. On the telecommunications licensing criteria, Kharusi stated that the TRA continues to await feedback from its fixed-line consultant; it will also take into consideration public comments received on the liberalization study.

14. (SBU) In the same breath, Kharusi reaffirmed the TRA's interest in opening the fixed-line sector. She remarked that the TRA was disappointed with the meager response to the opening of the internet service provider (ISP) sector, which she attributed to the fact that Omantel remains the only company licensed to provide internet backbone services. With the opening of the fixed-line market, Kharusi envisions more competition on the ISP front.

15. (SBU) Econoff replied that the USG remains very concerned that the TRA's path toward telecommunications liberalization may not meet its FTA and WTO commitments, and requested that Kharusi participate in a DVC with USTR officials at the earliest opportunity. Kharusi initially agreed to a April 14 DVC with USTR; however, on April 6, Dr. Said al-Riyami, Economic Expert and FTA Coordinator for Oman, informed Econoff that in lieu of a DVC, the TRA has requested that USTR submit its concerns in writing. Econoff highlighted the fact that a DVC would be the most efficient way of gaining a better sense of where the TRA's progress stood on developing FTA-compliant licensing regulations, but Riyami reiterated that the TRA would respond to USTR's concerns through written

communication.

¶6. (SBU) Comment and Action Request. The TRA is still not ready to release proposed licensing criteria, a result of the outstanding consultant's study, originally expected to be finished in January. The TRA also seems intent on requesting feedback on proposed regulatory changes from interested parties via written correspondence. Embassy requests USTR's views on how to proceed in light of the TRA's reluctance to engage via DVC. End Action Request.
GRAPPO